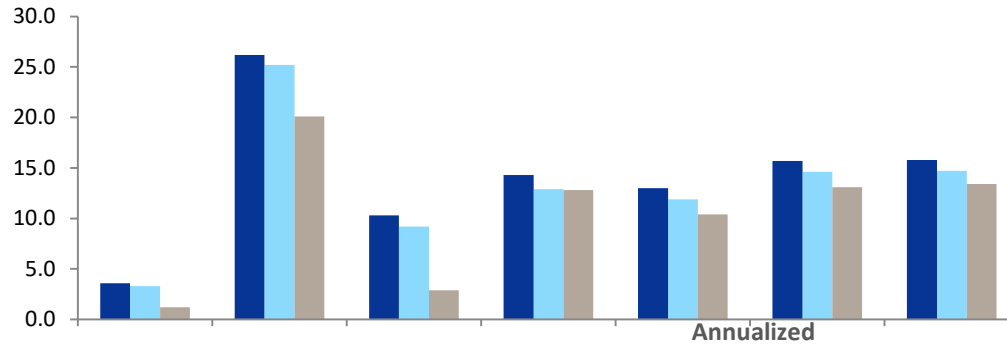


# Broad Run Focus Equity – Separate Accounts (FE-SA)<sup>1</sup>



## 3Q 2019 Flash Report

### Investment Results (%) – FE-SA vs. Russell 3000 Index® (R3000)



■ FE-SA (gross)	3.6	26.2	10.3	14.1	13.0	15.7	15.8
■ FE-SA (net of 1.0% Fee)	3.3	25.2	9.2	12.9	11.9	14.6	14.7
■ R3000 Reference Index	1.2	20.1	2.9	12.8	10.4	13.1	13.4

### Top Ten Holdings (FE-SA) (09/30/19) 76.2% of Assets

American Tower Corp.	10.3
O'Reilly Automotive, Inc.	9.6
CarMax, Inc.	8.3
Aon plc	8.3
Markel Corp.	8.1
Alphabet Inc. <sup>2</sup>	7.6
Brookfield Asset Mgmt. Inc.	7.4
The Walt Disney Company	6.3
Hexcel Corp.	5.6
American Woodmark Corp.	4.7

### Strategy Characteristics (FE-SA)

Number of Holdings	19
Active Share (%)	95.3
Turnover Rate – 5 yr (%)	10.5
Median Market Cap (\$)	14.6B
Price-to-Est. Cash Earnings (2020) <sup>3</sup>	17.2x
Est. Cash EPS Growth Rate (2020) (%) <sup>3</sup>	13.0

### 3Q19 Top Contributors (%)

Company	Avg. Weight	Return	Impact
American Tower Corp.	10.3	8.6	0.9
Alphabet Inc.	7.5	12.8	0.9
Brookfield Asset Mgmt.	7.2	11.5	0.8
O'Reilly Automotive, Inc.	9.5	7.9	0.7
Markel Corp.	8.0	8.5	0.7

### Trailing 3 Year Top Contributors (%)

Company	Avg. Weight	Return	Impact
American Tower Corp.	10.1	107.2	9.0
Aon plc	7.5	77.7	5.2
CarMax, Inc.	6.8	64.9	4.5
Alphabet Inc.	7.6	56.8	4.1
Hexcel Corp.	4.9	90.3	3.9

### Trailing 5 Year Top Contributors (%)

Company	Avg. Weight	Return	Impact
O'Reilly Automotive, Inc.	9.0	165.0	13.8
American Tower Corp.	9.8	160.5	12.4
Aon plc	7.2	133.6	8.2
CarMax Inc.	6.8	89.5	8.1
Markel Corp.	8.8	85.8	7.7

### 3Q19 Top Detractors (%)

Company	Avg. Weight	Return	Impact
Metro Bank plc	0.4	-69.4	-0.4
The Walt Disney Company	6.8	-6.1	-0.4
Drive Shack Inc.	2.1	-8.1	-0.2
Facebook, Inc.	1.9	-7.7	-0.2
Encore Capital Group, Inc.	4.2	-1.6	-0.1

### Trailing 3 Year Top Detractors (%)

Company	Avg. Weight	Return	Impact
Metro Bank plc	0.5	-95.5	-2.9
World Fuel Svcs Corp.	0.8	-20.2	-0.9
Mistras Group, Inc.	1.1	-17.9	-0.4
Henry Schein, Inc.	0.9	-11.7	-0.2
TransDigm Group Inc.	0.1	-6.1	-0.2

### Trailing 5 Year Top Detractors (%)

Company	Avg. Weight	Return	Impact
Metro Bank plc	0.3	-95.5	-2.9
Encore Capital Group, Inc.	5.1	-24.8	-2.0
TransDigm Group Inc.	0.1	-6.1	-0.2
Facebook, Inc.	0.5	-4.8	-0.1
N/A	-	-	-

Broad Run presents on this page the investment results and statistics it believes are most relevant to institutional separate account investors in the Focus Equity Strategy; this information is supplemental to the GIPS® compliant presentation, which is provided on the following page. 1: FE-SA Investment Results, Top Ten Holdings, Strategy Characteristics, and Top Contributors and Top Detractors are derived from representative portfolios from the Focus Equity Composite. See "Flash Report Notes" on the following page for important disclosures regarding FE-SA. 2: Includes both share classes. 3: Based on internal 2020 estimates; may differ materially from consensus estimates. Other Notes: See "Flash Report Notes" for a description of Active Share and Top Contributors/Detractors calculation methodology. To obtain a complete list showing the impact of each holding in FE-SA on the overall portfolio's performance for the periods referenced above, please contact Broad Run at 703.260.1260. The securities presented on this page do not represent all of the securities purchased, sold or recommended for client accounts. There is no assurance that any securities discussed are currently held in advisory client portfolios or will be purchased in the future. The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that an investment in any of these securities was or will prove to be profitable. Past performance is not indicative of future results.

# Focus Equity Composite Disclosure

Composite Name  
Reference Index  
Reporting Date  
Composite Inception

Focus Equity Composite  
Russell 3000 Index  
September 30, 2019  
September 1, 2009



**GIPS Compliance and Verification Status.** Broad Run Investment Management, LLC (Broad Run) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Broad Run has been independently verified for the periods October 27, 2012 through December 31, 2018. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. A list of composite descriptions is available upon request. **Firm Information.** Broad Run is an investment advisor registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Broad Run is defined as an independent investment advisor that is not affiliated with any parent organization. **Composite Description.** The Focus Equity Composite contains all fee-paying, discretionary accounts that are managed according to Broad Run's Focus Equity Strategy. The Focus Equity Strategy invests primarily in U.S. equity securities—regardless of capitalization—and seeks long-term capital appreciation while incurring a low risk of permanent capital loss. The Strategy uses a concentrated and low turnover investment approach, and generally seeks to invest in what the firm believes are high-quality growth-oriented companies trading at discounts to Broad Run's assessment of their intrinsic value. Broad Run has determined that no appropriate benchmark for the composite exists because the Focus Equity Strategy has minimal exposure to a number of sectors and invests across the market capitalization spectrum. The Focus Equity Composite was created in October 2012; its inception date is September 1, 2009. From September 1, 2009 to October 26, 2012, the composite is composed solely of an equity mutual fund. Broad Run's managing members served as portfolio managers for this equity mutual fund while employed at the fund's advisor. From October 27, 2012 to February 28, 2013, the composite is composed solely of the successor equity mutual fund to the aforementioned equity mutual fund. Broad Run is engaged as the sole sub-advisor of the successor equity mutual fund (managing 100% of its assets) by its new advisor, and the firm's managing members serve as portfolio managers for the successor equity mutual fund. Broad Run has met the GIPS portability requirements to link the returns of the equity mutual fund and the successor equity mutual fund. For the time period after February 28, 2013, the composite is composed of the successor equity mutual fund and separate accounts. Currently, the assets in the mutual fund comprise a significant majority of the composite's assets. **Fee Schedule.** Broad Run's standard annual asset-based management fee schedule is 1% of the account's total assets on the first \$5 million and 0.85% thereafter. Gross performance results do not reflect the deduction of Broad Run's investment advisory fee, which will affect a client's total return. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated by deducting the monthly-equivalent amount of Broad Run's highest applicable annual management fee of 1.00% ("Model Net Fee"), as described in the firm's Form ADV, Part 2A (without the benefit of breakpoints) from the monthly composite gross return. **Reference Index Disclosure.** The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The index is market-value weighted. Index figures reflect the reinvestment of dividends and capital gains. Index figures do not reflect deductions for any fees, expenses, or taxes. Investors cannot invest directly in an index. The index data below is supplemental information. The index's performance returns are included to illustrate the general trend of the U.S. equity market and are not intended as a benchmark for the composite. **Other.** All returns presented in the table below (including the reference index) include the reinvestment of dividends, interest income, and capital gains. Valuations are computed and performance is reported in U.S. dollars.

	Calendar											Annualized (09/30/19)				
	2019 (thru 9/30)	2018	2017	2016	2015	2014	2013	2012	2011	2010	Sep-Dec 2009 <sup>1</sup>	1 YR	3 YR	5 YR	10 YR	Since Inception
<b>Focus Equity Composite Gross Return (%)</b>	28.74	-9.09	21.43	8.83	4.40	11.76	37.18	18.27	5.13	26.40	8.64	12.27	13.55	12.25	15.28	15.36
<b>Focus Equity Composite Net Return (%)</b>	27.80	-10.01	20.24	7.76	3.37	10.66	35.85	17.11	4.08	25.16	8.29	11.17	12.43	11.14	14.15	14.22
<b>Russell 3000 Return (%)</b>	20.09	-5.24	21.13	12.74	0.48	12.56	33.55	16.24	1.03	16.93	10.34	2.92	12.83	10.44	13.08	13.42
<b>Composite Standard Deviation<sup>2</sup></b>	11.39	11.25	10.31	12.06	11.30	9.44	12.52	16.80	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	n.m. <sup>4</sup>	11.39	11.80	13.36	13.31
<b>Russell 3000 Standard Deviation<sup>2</sup></b>	12.36	11.18	10.09	10.88	10.58	9.30	12.54	15.74	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	n.m. <sup>4</sup>	12.36	12.07	12.92	12.90
<b>Number of Portfolios</b>	169	155	137	101	52	41	30	1	1	1	1					
<b>Internal Dispersion<sup>5</sup></b>	n.m.	0.64	0.96	0.31	0.13	0.10	n.m.	n.m.	n.m.	n.m.	n.m.					
<b>Composite Assets (USD millions)</b>	2,475.5	2,326.8	3,309.6	2,671.8	2,266.5	1,618.5	1,454.0	781.2	672.2	772.8	812.5					
<b>Firm Assets (USD millions)</b>	2,491.5	2,330.3	3,311.2	2,794.1	2,268.6	1,619.5	1,459.8	781.2	N/A	N/A	N/A					

*Past performance is not indicative of future results.*

**1:** Annual Performance Results reflect partial period performance. The returns are calculated from September 1, 2009 to December 31, 2009 for the Focus Equity Composite. **2:** Standard deviation measures the variability of the gross returns of the composite and the reference index. All standard deviation figures are calculated using monthly gross performance numbers. Figures presented for calendar year and YTD periods are three-year annualized standard deviations. **3:** The three-year annualized standard deviation is not shown due to having less than 36 months of composite returns. **4:** n.m. - Not statistically meaningful for periods less than 3 years. **5:** The annual composite dispersion presented is a dollar-weighted standard deviation of the gross returns for all accounts in the composite for the entire year, using beginning of period values; not statistically meaningful (n.m.) for periods less than one year, or when there are five or fewer accounts in the composite for the entire year.

**Flash Report Notes: FE-SA Disclosure.** The FE-SA results presented in the *Investment Results* section are a subset of the Focus Equity Composite results. Returns presented consist of representative portfolios from the Focus Equity Composite. The representative portfolios are: (i) for the period September 1, 2009 to February 28, 2013 the sole portfolio in the composite, which is a single equity mutual fund; and (ii) for the period after February 28, 2013 (Broad Run accepted its first separate account in February of 2013) all of the separate account portfolios, which excludes any equity mutual fund(s), UCITS fund(s), and private fund(s). Broad Run believes this supplemental presentation approximates the return stream an investor in a Focus Equity separate account would have achieved for the period presented (data supporting this assertion is available upon request). Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated by deducting the monthly-equivalent amount of Broad Run's highest applicable annual management fee of 1.00% ("Model Net Fee"), as described in the firm's Form ADV, Part 2A (without the benefit of breakpoints) from the monthly gross returns. The information presented in the *Top Ten Holdings*, *Strategy Characteristics*, and *Top Contributors* and *Top Detractors* sections is derived from all of the separate account portfolios in the Focus Equity Composite, which excludes any equity mutual fund(s), UCITS fund(s), and private fund(s). **Active Share Calculation Methodology.** Active share is a measure of the percentage of stock holdings in FE-SA's portfolio that differ from the Russell 3000 Index, and is calculated by determining the difference in weights for all securities in either FE-SA or the Index, summing the absolute differences, and dividing by two. **Top Contributors/Detractors Calculation Methodology.** Average Weight, Return, and Impact are generated using FactSet; return and impact figures for periods over 1 year are presented on a cumulative basis. Impact is calculated daily by multiplying the beginning weight of the security by the security's return; the daily impact figures are compounded by subsequent daily total portfolio returns to compute the impact for the trailing quarter, 1 year, and 3 years. Average weights are shown for presentation purposes only, and are calculated using a simple average of the daily beginning weights during the relevant time period (note: weekends and market holidays are excluded). Returns are also shown for presentation purposes only, and are presented gross of management fees and transaction expenses (such as commissions and exchange fees). Returns are calculated daily as follows: (ending stock price + dividends) / beginning stock price - 1. Daily returns are then geometrically linked to compute the returns for the trailing quarter, 1 year, and 3 years. Individual security returns presented in this report do not necessarily represent advisory clients' actual performance with respect to those securities for the stated periods. All values used to calculate returns are in, or have been converted to, U.S. dollars. **Data source.** Unless otherwise noted, the data in this report has been prepared by Broad Run and has not been calculated, verified, or audited by an independent third party. **No warranty.** None of Broad Run's respective affiliates, partners, members, or employees assume responsibility for, or make any representation or warranty, express or implied, with respect to the accuracy, adequacy or completeness of the information contained in this report.

**Other Disclosures: Additional Composite Details.** The Focus Equity Composite includes a mutual fund for which the firm charges a sub-advisory fee that is lower than the model net fee. However, the mutual fund's total operating expenses, which are not applicable to you, are in excess of the model net fee. Therefore, the actual performance of the mutual fund in the composite on a net-fee basis will be different, and will normally be lower, than the model net fee performance. However, the model net fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the composite. Actual fees and expenses in client accounts may differ from those reflected in this composite presentation and would cause actual performance to differ. The performance figures do not reflect the deduction of any taxes an investor might pay on distributions or redemptions. **Investing Involves Risk.** Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results and client accounts may not achieve the Focus Equity Strategy's investment objective. There may be market, economic, or other conditions that affect client account performance, or the performance of the referenced market index. Therefore, it should not be assumed that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Broad Run) will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. The Strategy invests in small- and medium-size companies. Investments in these companies, especially smaller companies, carry greater risk than is customarily associated with larger companies for various reasons such as increased volatility of earnings and business prospects, narrower markets, limited financial resources and less liquid stock. A client account invested in the Focus Equity Strategy will hold fewer securities and have less diversification across industries and sectors than a diversified portfolio, such as a portfolio based on an index. Consequently a client account and/or the composite performance may diverge significantly from the referenced market index, positively or negatively. **Jurisdiction.** This publication is intended only for clients and interested investors residing in jurisdictions in which Broad Run is notice-filed or exempted by law to provide investment advisory services. Please contact Broad Run at 703-260-1260 to find out if Broad Run is notice-filed or exempted to provide investment advisory services in jurisdictions where you reside or are domiciled. This publication is not intended, nor shall it be construed as, the provision of personalized investment advice or advisory services. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Consult an investment professional before acting on any information contained herein. Broad Run is neither a law firm nor a certified public accounting firm and no portion of this publication should be construed as legal or accounting advice. To the maximum extent permitted by law, Broad Run disclaims any and all liability in the event any information, analysis, opinions and/or recommendations in this publication proves to be inaccurate, incomplete or unreliable, or result in any investment or other losses.

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